

APPENDIX H

DIVISION OF FINANCIAL ASSISTANCE (DIVISION) GUIDELINES FOR PROJECT PERFORMANCE CERTIFICATION APPLICABLE TO ALL CLEAN WATER STATE REVOLVING FUND (CWSRF) PROGRAM PROJECTS February 2009

Introduction

Project Performance Certification has been required by the Clean Water Act Section 204(d) and Section 602 (b)(6). The U.S. EPA developed the certification requirement to strengthen the ability to meet the basic intent of the funding programs (i.e., to build quality treatment works that comply with the enforceable requirements of the act). Providing affirmative project certification is a precise indicator that treatment facilities are actually working as intended. The certification requirement was initiated to provide extra protection for the investment made by local municipalities, the State, and EPA. The protection is provided in the form of two requirements; one, that the treatment works be monitored during the first year of operation, and two, that the recipient certify that the treatment works meets its performance standards. For these reasons, the SWRCB has chosen to continue the Project Performance Certification process as described in these guidelines.

Project Performance Standards

Specific Project Performance Standards are developed for each CWSRF Program project to account for each project's individual requirements. During the eligibility review process, the applicant and the Division will mutually agree on unique Project Performance Standards for each project. The recipient can develop the standards for Division approval, or the Division's Project Manager will develop the standards that the recipient reviews and agrees with or provides comments to the Division. The Project Performance Standards must include standard engineering accepted performance values which are based on the design criteria, construction specifications, and waste discharge requirements for the project.

The Project Performance Standards must also specify how the recipient will certify that the project meets the Project Performance Standards. Typically, the data collected is normally required for process control and for the self monitoring report submitted to the Regional Water Quality Control Board as part of the Regional Board's Waste Discharge Requirements (WDR).

Listed below is a description of the general areas to be considered when developing the Project Performance Standards. Standards in these area help to ensure that each project will meet its intended goals and objectives reliably for its useful life. These areas will be evaluated at the end of the Project Performance Certification period:

1. Overall project performance. The performance of the overall project should meet intended goals, design criteria and applicable waste discharge requirements. Recorded data such as flows and waste concentrations should be collected, and actual performance should be compared with performance objectives. The performance evaluation may be based on actual operation at design conditions or on other reasonable methods developed to predict how the facilities will operate at design conditions.
2. Treatment process performance. The funded facilities should be operated and evaluated at design flows and loadings for several months by diverting or equalizing flows where possible and

economically feasible. Otherwise, a rational approach to predicting performance at design conditions should be developed. Evaluation of the Project Performance Standards for project facilities will be based on the project's design criteria and on normally accepted engineering standards.

3. Operator's Log or Supervisory Control and Data Acquisition (SCADA) system should be created and maintained to ensure collection of performance data necessary for project certification. This log or SCADA system should contain daily operation data and visual observations.
4. Operation and Maintenance Records: An operation and maintenance records system should be created, or updated if one already exists. This system should include records of all mechanical and electrical equipment, records of the adequate supply of critical spare parts, and a record of preventive and corrective maintenance scheduled and performed.
5. Project Life. Provisions should be made to ensure the funded facilities will be properly operated and maintain for the useful life of the project.
6. Facility Staffing. The facility should have a level of staffing sufficient to properly operate and maintain the facility. Wastewater treatment plant operators must possess the appropriate level of certification.

Completion of Construction and Initiation of Operation

At the time of the Approval-of-Award the Completion of Construction (CC) and Initiation of Operation (IO) dates will be submitted by the recipient. The Initiation of Operation date is the start of one –year project performance certification period. During the Project Performance Certification period, the recipient collects the data described in the project performance standards. The recipient may be asked to provide the Division a copy of the Operations and Process Control Manual within six month from the initiation of operation. The Division's Project Manager will refer to the Operations and Process Control Manual during the Final Project Inspection.

Final Project Inspection

The Final Project Inspection, if done by Division staff, is conducted six to ten months after the Initiation of Operation date. The inspection consists of a review of the operational procedures in place at the funded facility. The Division's Project Manager will inspect constructed facilities, and review process control procedures, maintenance, and staffing. Depending on the complexity of the project, this inspection may last from two hours to one day. The chief plant operator should be available to answer questions and to escort the Project Manager on a tour of the treatment facility. The Division prepares a Final Project Inspection Report that identifies the areas of operational or facilities deficiencies.

Project Performance Certification Report

Project Performance Certification of the project consists of an evaluation, by the recipient, of the data collected in the monitoring program during the project performance certification period. The overall facility performance should be evaluated in a Project Performance Report. The report must be prepared by the recipient and submitted to the Division one year after the Initiation of Operation date. The Project Performance Report should present well-organized conclusions about the performance of the funded facilities based on a comparison between the Project Performance Standards and the actual process control and the WDR effluent monitoring data. The Project Performance Report should also address any items

noted as deficient in the Final Project Inspection Report. The following is the format for the Project Performance Report:

1. Description of the project and its objectives
2. Description of significant operation problems encountered and how they were resolved.
3. Summary of treatment plant discharge data, either in graphical or tabular form, presented on a monthly basis.
4. Comparison of the data with the project performance standards.
5. Conclusions on the performance of the facilities based on design criteria, plans and specifications, and compliance with the Regional Board's WDR.
6. A completed Project Performance Certification form, signed by the authorized representative.

Corrective Action Report

If the project does not meet Project Performance Standards at the end of the one-year certification period, the recipient must prepare a Corrective Action Report. The report should contain a discussion of all the items required for the Project Performance Report, plus the following:

1. The cause of the project's inability to meet the Project Performance Standards.
2. A plan for correcting the problem(s).
3. A schedule for implementing the corrective action.
4. An estimated date by which the project can be certified and a Project Performance Report can be submitted to the Division.

The costs for corrective actions required to bring the project into compliance with the project performance standards are the responsibility of the recipient.

Project Certification

If the recipient does not submit a Project Performance Report which includes a signed certificate of performance, or a corrective action report, within fifteen (15) months of the initiation of operation date, the Division will stop processing any pending or future applications for new loans or grants and withhold payments on any existing loans and grants that the agency may have with the State Water Board until Certification requirements are met, and may use any legal means to obtain the Project Performance Report and Certificate or Corrective Action Report from the recipient.

After the Division has reviewed and approved the Project Performance Certification Report, the recipient will be notified that the project is being recommended for close-out. If a Corrective Action Plan is submitted the Division will conduct follow-up inspections as necessary to monitor the applicant's progress towards meeting the Project Performance Standards. When the project can be certified, the recipient prepares a Project Performance Report and Certification for Division approval.